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GOVERNMENT OF INDIA

MINISTRY OF LABOUR

NOTIFICATION

New Delhi, the 23rd September 1949

**No. L.R. 3(98).**—In pursuance of Section 17 of the Industrial Disputes Act, 1947 (XIV of 1947), the Central Government is pleased to publish the following award of the Industrial Tribunal appointed to adjudicate in the industrial dispute between the Shivarajpur Syndicate Limited, Bombay and the workmen of the Shivarajpur Mines, Panch Mahals.

**BEFORE MR. K. C. SEN, INDUSTRIAL TRIBUNAL, BOMBAY.**

(Appointed by the Government of India, Ministry of Labour.)

ADJUDICATION

BETWEEN

**Shirvarajpur Syndicate Limited, Bombay,**

AND

**The workmen of the Shivarajpur Mines, Panch Mahals.**

In the matter of an industrial dispute re: minimum salary, dearness allowance, grain concessions, bonus, etc.

Mr. D'Silva, Solicitor, instructed by Messrs. Craigie Blunt and Caroe for the Shivarajpur Syndicate Ltd., Bombay.

Mr. C. G. Shah, Secretary, Shivarajpur Mines Employees' Union, for the workmen.

AWARD

This dispute was referred by the Government of India to me for adjudication on the 20th May 1949. It is an industrial dispute between the workmen of the Shivarajpur Mines in the Panch Mahals in the province of Bombay and their management, viz., the Shivarajpur Syndicate Limited, Bombay. The demands of the said workmen are as regards (1) minimum wage, (2) dearness allowance, (3) concessions as to grain, housing, etc., (4) increase on the present wages, (5) bonus for the years 1946 and 1947, (6) payment in respect of overtime work, (7) privilege and sick leave, (8) inclusion of the employees' representatives on the Board of Trustees of the provident fund, (9) gratuity, (10) provision of latrines, urinals, drinking water, etc. and (11) better provision of light for underground work.

2. In order to understand properly the conditions of the industry and the contentions raised by the parties it is necessary to bear in mind certain facts relating to the manganese mining industry in general and the working of the mines at Shivarajpur in particular. Manganese is one of the most important materials in industry because the metallurgy of iron and steel almost completely depends upon it. The principal steel-producing countries before the World War II were the United States of America, the United Kingdom, Germany, France, Japan, Belgium and Italy. To all these countries India exported manganese, the average quinquennial exports being of the order of 3 million tons. A certain amount was consumed by the principal Indian Iron and Steel Companies, not only for use in steel furnaces of the Tata Iron and Steel Company, but also for the manufacture of ferro-manganese and for addition to the blast furnace charge in the manufacture of pig iron. [Handbook of Commercial Information for India, 3rd Edition, (1937), page 290]. The United Kingdom was India's best customer, followed in order by Japan and France. There was a marked increase of export to the United States of America since 1929, that country becoming the fourth best customer in 1934-1938. The principal countries which produce manganese are India, U. S. S. R., the Gold Coast in Africa, South Africa and Brazil. During the period 1907-1912 India was the leading producer a position which in the next years she lost to Russia. After the World War I, India again took the lead which was maintained till 1927 when she produced 11,29,353 tons. In the period 1928 to 1938 U. S. S. R. produced the largest quantity, for instance, 15,43,862 tons in 1930. There was a slump in the industry in the years 1929 to 1934, the worst period being 1932-1933. "The full magnitude of this catastrophe to the Indian manganese industry is perhaps best realised from the fact that whilst the quantity of the production in 1933 was a little over one-fifth of that of the peak year 1927, the value was less than one twenty-second part of the value of the 1927 production." [Handbook of Commercial Information for India, 3rd Edition, p. 290]. During the slump most of the manganese mines in India were closed. Since 1934, however, there has been a steady increase in production, the figures for the world production for the years 1936, 1937 and 1938 respectively being 53 lakhs, 60 lakhs and 58 lakhs of tons. This great increase in production was due not only to the rapid increase in steel production and to widespread re-armament activities, but also to accumulation of vast stocks of ore for future emergencies. The price rose very appreciably in 1937 to 22.6d per unit, but owing to enormous accumulation of stocks it fell to 19.7d. per unit of first grade ore during 1938. In India the production in 1937 was 10,51,594 tons but in 1938 Indian exports declined to 6,48,740 tons on account of the accumulation of stocks mentioned above. Production also rose in the Gold Coast and South Africa, the latter producing in 1937 6,21,229 tons. It is, however, to be noticed that the production from South Africa was largely in the lower grades of ore. "For this reason it is doubtful whether South Africa will become a serious competitor with India in the higher grades of manganese". [Bulletins of Economic Minerals, No. 9—Manganese Ore by J. A. Dunn, published by the Government of India, (1942), p. 43]. In India the annual production was over eight lakhs of tons in 1939 and 1940 and between seven and eight lakhs in 1941 and 1942. In 1943 it was about six lakhs. The major part of manganese produced in this country comes from the Central Provinces. The average production of Shivarajpur Mines during the last 12 years was slightly less than 30,000 tons, i.e., about 4 per cent. of the total production in the country. In the period 1939-1943 the total number of persons employed in the mining industry in the country varied from 26,000 to 38,000, which included 22,000 to 29,000 from the Central Provinces. At the Shivarajpur Mines about 2,500 persons were employed in 1939, which figure dwindled to about 900 in 1944 and 500 in 1945. The present number of persons employed at the mines is stated to be 951. The cause of the decrease

in the number of workers has been given by Mr. D. V. Rege, Chairman of the Labour Investigation Committee appointed by the Central Government in 1944 as "scarcity of labour and slowing down of production on account of Shipping difficulties" (page 8 of the Report of Enquiry into the Conditions of Labour in the Manganese Mining Industry in India, 1946). As regards the employees of the Shivarajpur Mines it is further to be noted that the local labourers are mainly agriculturists and "look upon mining as a secondary occupation" (page 15 of the same Report). The mines, besides, have to contend with the workmen's absenteeism which, according to Mr. Rege, as against 18.3 per cent (August 1944) in the Central Provinces, was as much as 39 per cent amongst the local workers and 28 per cent amongst the outsiders (April 1945) at Shivarajpur. According to the figures furnished by the Company, during the three months March to May 1949, the absenteeism was 22.5 to 48 per cent amongst the underground workers and 18 to 30.5 per cent amongst the opencast workers.

3 Of the 951 workers at Shivarajpur only 85 are paid at monthly rates, the remaining 866 being daily rated workers. Of the latter 294 are residents, living in the grounds of the Company, and 572 are non-residents, *i.e.*, coming to work from the villages around the mines. The ratio of male workers to female workers is 3 to 1. The resident workers live mostly in families and are recruited from places like Katni in the Central Provinces, Richur in Southern India, Jodhpur, Jaipur and Ajmer. Houses have been provided by the Company for all of them and there are also a number of vacant houses which are not occupied by workers, the local workers preferring to come daily from their villages. The work in the mines consists of opencast, *i.e.*, above ground work, and underground work which has begun in 1925. The ore produced is graded into three classes, grade I, containing 48 to 50 per cent. of manganese, grade II, containing 45 to 47 per cent. and grade III or low grade, containing manganese below 45 per cent. Pyrolusite which is also produced is a high grade ore containing 80 to 85 per cent. of manganese. The main reef worked by the Company is said to contain 50 per cent. of grade I, 20 per cent. of grade II and 10 per cent. of grade III ores. There are certain subsidiary reefs which contain some II grade and much III grade ores. Since 1944 there has been a fall in the output of ore, and also a fall in the output per head, and it is now less than what was produced during the years 1937 to 1940, while the costs including the wages have gone up progressively during the recent years. According to the Company their profits have gone down so low as to admit of no increase at all in the wages. They particularly stress the fact that they are now faced with serious competition from South and West Africa.

4. The Company give a number of concessions and provide certain amenities to their workers, *viz.*, (1) food grains, sugar, wood, tea, soap, oil and ghee which are provided to each worker as well as their resident dependants at concession rates involving a loss to the Company of about Rs. 8-12-0 per month on each person; (2) free houses provided for all who would like to stay on the grounds of the Company; (3) free medical service, (4) fuel provided free; (5) provision of a school, a creche and a recreation centre; and (6) bonus given annually to the monthly rated workers amounting to at least one month's basic pay.

5. Among the monthly rated workers, numbering 85, 17 are opencast workers, 17 underground workers, 10 work in the workshop and 92 in the office, hospital, store, etc. The lowest paid among them gets Rs. 20 per month and the highest paid are the "highly skilled" workers in the workshop (Rs. 125-155 per month) and the store-keeper (Rs. 185 per month). There are a few daily rated workers in the workshop and other daily rated workers are classed as semi-skilled and unskilled; opencast workers and underground workers. There are a number of pithead workers who are unskilled, ore selectors (men and women), pyrolusite

selectors (women). There are, besides, miscellaneous workmen like chowkidars, chaprasis, coolies and sweepers. The minimum daily wage paid to an unskilled worker is Rs. 0-7-0 in the case of a female and Rs. 0-8-0 in the case of a male, the maximum rate paid to an unskilled labourer being Rs. 1-1-0 paid to levellers. Among the semi-skilled workmen the maximum daily rate of Rs. 2-4-0 is paid to underground machine men, the minimum of Rs. 0-12-0 being paid to pump attendants. The yearly salary bill for 1942 was Rs. 2,68,016 and it increased in 1948 to Rs. 4,04,922. The latter figure includes Rs. 10,685 paid per month to officers (Rs. 8,685 paid to officers at Shivarajpur and Rs. 7,000 to officers at Bombay), and it is exclusive of the loss to the Company owing to the concessions granted to workmen on account of the sale of foodgrains, sugar, etc., at concessional rates.

*Demands Nos. 1 and 4*

6. The first demand of the workers is that the minimum salary should be fixed at Rs. 30 for a month of 26 working days; and their fourth demand is for a general increase of the present wages by 40 per cent. In their statement of claims they have relied on the recommendations of the Pay Commission that Rs. 80 should be paid to unskilled workers at all places throughout the country and they have also relied on the awards of certain Tribunals appointed by the Government of Bombay, in one of which the minimum wage for the workmen of Messrs. Allen Berry and Company was fixed at Rs. 35-8-0. In another award (page 2953 of the Bombay Government Gazette, dated April 28, 1949) the Tribunal observed that Industrial Courts and Tribunals should make an effort to reach the standard of living wage, if possible, in stages spread over a certain number of years; and in the award given in respect of the Ford Motor Company of India, the minimum daily wage fixed was Rs. 1-6-0 which amounted to Rs. 35-12-0 for a month of 26 working days. Shivarajpur, however, is situated in a rural area and the recruitment of labour is entirely made from village areas some of which are at considerable distance from the mines. The needs of the men and women recruited are few compared with those of workmen living in towns and cities, and many of those needs are supplied by the Company at concessional rates. There is no cost of living index relating to Shivarajpur; and it seems to me that it would be convenient, when dealing with the question of dearness allowance, to link this place with the cost of living indices for Ahmedabad. It is to be noted that workers in manganese and coal mines, and possibly also mica mines, throughout India are very poorly paid. According to Mr. Rege's Report the average earnings per day per man and per woman in certain mines in August 1944 was Rs. 0-11-4 and Rs. 0-8-9 respectively (page 7 of the Report). At page 16 of the said Report it is stated that the Shivarajpur Company had a system of standard (*amani*) rates for piece-rated as well as daily rated workers as follows:

|          |           |
|----------|-----------|
| Mukadams | Rs. 0-8-0 |
| Men      | Rs. 0-7-0 |
| Women    | Rs. 0-5-0 |

In this connexion reference may also be made to the Report of the Fact Finding Committee regarding certain colliery disputes appointed by the Central Government in 1947. The Committee found that in 1939 the average earning of a coal-cutter in the Central Provinces was Rs. 0-12-0 and in Bihar and Bengal Rs. 0-9-9 and 0-9-0 respectively, and have recommended that the minimum wage for males should be fixed at Rs. 0-8-0 and for females at Rs. 0-6-0 per day. This recommendation must be read in the light of their further recommendation that the dearness allowance should be fixed at 100 per cent. of the basic wage for those getting up to Rs. 80 per month, *plus* bonus equivalent to four months' wages on certain conditions as to production and attendance

being fulfilled. In Reference No. 5 of 1948 of the Industrial Tribunal at Dhanbad regarding the mica industry in the Behar Province, it was agreed that the minimum basic wages should be Rs. 0-6-0 per day for men and Rs. 0-5-8 for women and that the dearness allowance should be calculated at 150 per cent. on the basic wages *plus* 15 per cent. monthly attendance bonus on the consolidated wages and a half month's basic wages as a quarterly bonus subject to certain conditions regarding attendance. In all the mining industries it is to be observed that the rate for male workers is different from and higher than the rate for women, presumably on the ground that the latter's output is less and they have a smaller number of persons, generally, to support. It seems to me that it will not be improper to fix the daily rate of wages for a man in this case at Rs. 0-12-0 and the corresponding rate for a woman at Rs. 0-10-0 per day. This should be regarded as the appropriate rate at a time when the cost of living indices at Ahmedabad were between 100 and 150; that was somewhere in 1942. This rate would give the minimum wage for a month of 26 working days for a male worker at Rs. 19-8-0 and for a female worker at Rs. 16-4-0, and I direct that these rates of minimum wages should come into operation under this award. In fixing these rates I have considered the circumstances prevailing in the mining industry in general and manganese mining industry in particular, the circumstances peculiar to the mining industry at Shivarajpur including the needs of the workmen who are recruited to the said mines, and I have also taken into consideration the fact that the lowest monthly rate fixed for workers in other industries at other places in the province generally varies from Rs. 30/- (Bombay) to Rs. 24-8-0 (at Viramgam).

7. The Company have contended that it is not possible, without incurring actual loss, to increase the rates which are at present being paid to the workers by even a single pie, and that the basic wages, dearness allowance and other emoluments as well as the concessions enjoyed by the workers should be regarded as sufficient remuneration. They have taken pains to point out that at present the rate of output is about 18,000 tons of ore per year and that in view of the prevailing prices they are compelled to sell their third grade ore actually at a loss. They have shown me how this result has been arrived at by calculating in great detail all costs incurred at the mines and the cost subsequently incurred for transporting the ore from the mines to the stack and then to the ship at Bombay. The third grade ore has necessarily to be mined along with the better class ore, and the present rate of railway fares and prevailing prices as well as the heavy costs that have to be incurred at Bombay do not, according to this Company, allow of any profit being made on the third grade ore mined and the loss suffered on account of such ore when set off against what profits can be made on the sale of the first grade and the second grade ores hardly leaves any margin, they say, which can be utilized in giving any increase in the wages or dearness allowance to the men and women workers at the mines.

8 I give below a statement relating to ten years (1938-39 to 1947-48) regarding the Company's output, working capital gross capital expenses, reserves, etc.:—

*Statement Regarding Output, Working Capital, Gross Profits, Expenses, etc.*

(Figures in thousands except in Column 11)

| Year              | Output<br>in<br>tons | Sales      |             | Working<br>Capital | Gross<br>Profits | Working<br>Expenses | Income-tax<br>Provision | Profits<br>shown | Closing Stock |             | Reserves | Dividends<br>paid |
|-------------------|----------------------|------------|-------------|--------------------|------------------|---------------------|-------------------------|------------------|---------------|-------------|----------|-------------------|
|                   |                      | In<br>Tons | In<br>Value |                    |                  |                     |                         |                  | In<br>Tons    | In<br>Value |          |                   |
| 1                 | 2                    | 3          | 4           | 5                  | 6                | 7                   | 8                       | 9                | 10            | 11          |          |                   |
|                   |                      |            | Rs.         | Rs.                | Rs.              | Rs.                 | Rs.                     | Rs.              |               | Rs.         | Rs.      | Rs.               |
| 1938-39 . . . . . | 48                   | Figures    | 6,79        | 8,82               | 12,69            | 7,68                | 5                       | 50               |               | 5,69        | 6,68     | 52,500—10%        |
| 1939-40 . . . . . | 45                   | not        | 12,07       | 10,47              | 20,03            | 13,34               | 30                      | 22               |               | 7,77        | 6,23     | 26,250—5%         |
| 1940-41 . . . . . | 1                    | shown      | 4,89        | 10,09              | 12,07            | 3,67                | 30                      | 63               |               | 7,04        | 6,58     | 78,750—15%        |
| 1941-42 . . . . . | 25                   |            | 24,32       | 11,84              | 30,29            | 15,16               | 5,03                    | 8,09             | ..            | 5,70        | 6,98     | 2,49,375—47½%     |
| 1942-43 . . . . . | 36                   | ..         | 25,93       | 18,80              | 29,68            | 16,81               | 5,27                    | 7,17             | ..            | 3,21        | 7,25     | 1,70,625—32½%     |
| 1943-44 . . . . . | 23                   | 30         | 12,92       | 11,97              | 15,80            | 10,67               | 89                      | 1,92             | 47            | 2,42        | 7,24     | 1,05,000—20%      |
| 1944-45 . . . . . | 18                   | 12         | 7,27        | 9,17               | 10,34            | 7,90                | ..                      | 2                | 53            | 2,65        | 6,95     | 78,750—15%        |
| 1945-46 . . . . . | 16                   | 13         | 7,41        | 8,67               | 10,36            | 7,48                | 14                      | 23               | 56            | 2,72        | 7,21     | 78,750—15%        |
| 1946-47 . . . . . | 19                   | 24         | 13,10       | 9,88               | 15,91            | 12,35               | 48                      | 84               | 52            | 2,58        | 7,93     | 78,750—15%        |
| 1947-48 . . . . . | 18                   | 22         | 15,55*      | 8 88               | 19,50            | 15,50               | 82                      | 1,42             | 50            | 3,77        | 7,70     | 78,750—15%        |
|                   | 2 49                 |            | 130,25      | 108,59             | 176,67           | 110,56              | 13,28                   | 1,04             |               | 43,55       | 70,75    | 9,97,500—190%     |
|                   | Av. 25               |            | Av. 13,03   | Av. 10,86          | Av. 17,67        | Av. 11,06           | Av. 1,33                | Av. 2,10         |               | Av. 4,36    | Av. 7,08 | Av. 99,750—19%    |

\*Includes 1,20,000 recovered on account of Export Duty.

The working capital (column 4) is arrived at by adding the circulating assets and the liquid assets and deducting the liabilities shown in the balance sheets [Balance Sheets by Philip Tovey, (1942), Pitman & Sons Ltd., p. 61]. Working expenses have been arrived at by adding together items like salaries and wages, mining and despatching charges, repairs and maintenance, railway freight selling expenses, sea freight and insurance, etc., from the profit and loss account. The figure of the closing stock has been increased in value in the balance-sheet for 1947-48 at the suggestion of the Income-tax authorities who had been objecting in previous years that the valuation of saleable rates and old stocks had not been fully and properly made. This increase in valuation has affected the bottom figures in columns 3, 5 and 6 of the statement given above.

9. It will be seen that the reserves have remained fairly constant during the ten years' period. The average dividend paid per year comes to 10 per cent. of the paid-up capital, and amounts to Rs. 99,750. In view of this average dividend it seems to me that the average net profits can be taken at least as Rs. 1,00,000. The average profit shown in column 8 of the table given above comes to Rs. 2,10,000 and the average provision for taxation to Rs. 1,93,000 (column 7 of the table), leaving a balance of Rs. 77,000. It is clear that if the wage bill had been more the taxation would have been less and the funds out of which the increase in the wages had to be paid would have been correspondingly higher. In the Report of the Committee on Profit-Sharing (1948) the capital employed has been taken to be equivalent to the paid-up capital plus reserves. The total of the average paid-up capital (Rs. 5,25,000) and the average reserves (Rs. 7,08,000) in this case comes to Rs. 12,33,000. The average working expenses amount to Rs. 11,06,000 and the average working capital to Rs. 10,86,000. On these figures a net profit of Rs. 1,00,000 a year does not appear to be unduly low. The output during the years 1944-45 to 1947-48 has no doubt been less than that of the previous years and less than the average of 25,000 tons. According to the Company's own statement, however, (paragraph 19), "it should be possible to raise 25,000 tons of ore per year". If 12 years' average of the output is taken, it comes to slightly over 20,000 tons. It must, therefore, be held that the output during the recent years has not been up to the full capacity of the mines. The Company have complained that the output per head is now definitely less than in the previous years. The figures of monthly tonnage supplied by them are as follows:—

| Year                         | Maximum | Minimum |
|------------------------------|---------|---------|
| 1944 . . . . .               | 6.98    | 4.12    |
| 1945 . . . . .               | 6.24    | 4.03    |
| 1946 . . . . .               | 7.08    | 5.29    |
| 1947 . . . . .               | 5.28    | 3.11    |
| 1948 . . . . .               | 5.03    | 3.26    |
| 1949 (up to April) . . . . . | 4.45    | 3.67    |

As most of the work is done on piece rates the workers would naturally be interested in putting forth a high output rather than a low, and question, therefore, arises why during the last two years the output per head has gone down. The Company have complained of the percentage of absenteeism of the workers. I have already referred to the figures of absenteeism given by Mr. Rege and by the Company. They are unduly large. It has been stated by the Company that the sole occupation of the villagers in Shivarajpur is agriculture and seasonal timber cutting and charcoal burning. It seems that in certain seasons the non-resident workers find it more profitable to turn to collecting timber, firewood and charcoal rather than to mining work, and this would seem to account largely, if not sufficiently, for the scarcity of labour and absenteeism of which the Company have complained and which is

mentioned in Mr. Rege's Report. From this point of view the wages paid to the workers would appear to be inadequate. When I inspected the mines early in June this year many of the workers appeared to me to be suffering from under-nourishment. That again, if the wages have not kept pace with the prices of foodstuffs, must have progressively resulted in decrease of output per head.

10. The amount debited in the profit and loss account for the year 1947-48 on account of salaries and wages is Rs. 4,04,921. The corresponding figures for the two previous years were Rs. 2,82,212 and Rs. 3,99,181. These amounts include, as I have already stated, an amount of Rs. 1,28,220 paid to officers. Deducting this amount from Rs. 4,04,921 we get Rs. 2,76,701. According to the Company's statement they spent a sum of Rs. 1,08,641 during 1947-48 on account of concessions in the sale of foodgrains, etc., purchased by the workers. Adding this sum to Rs. 2,76,701, we arrive at the figure of Rs. 3,85,342 or in round figures Rs. 3,85,000 as the total wage bill of the workers. This sum divided by 950 (the number of workers) yields Rs. 405-4-0 as the average annual wages and Rs. 33-12-0 as the monthly average wages of a worker. This includes dearness allowance and the concessions. According to the prevalent cost of living indices at least half of this should be regarded as dearness allowance, so that the average basic wage cannot be taken as over Rs. 17. Now the minimum wage fixed by me for a male worker being Rs. 19-8-0 and for a female worker Rs. 16-4-0 a month and the ratio of men and women being 3:1, the average of the minimum wages per worker comes to Rs. 18-11-0; so that it can be seen that the average basic wage actually paid is below the subsistence level of a worker at Shivarajpur. It can, therefore, be confidently said that if better wages are paid not only will a large number of workers be attracted but also their health and individual output of work would increase, with increased benefits and profits to the Company.

11. It seems pertinent to inquire into the market trends as regards manganese so far as they can be ascertained, for the Company have been consistently complaining of the shrinkage of the manganese market and the competition of their trade rivals, particularly in South and West Africa. According to the statement supplied by the Company they have sold the first grade ore in the years 1945-46, 1946-47 and 1947-48 respectively at Rs. 38-1-0, Rs. 45-10-0 and Rs. 58-8-4 per ton, the last amount corresponding to a rate of 28d per unit. During the same years the third grade ore has been sold respectively for Rs. 35-0-0, Rs. 28-12-10 and Rs. 30-8-9, the last rate corresponding to a rate of 14½d. per unit. On the whole, therefore, it can be said that the tendency of the prices is upwards. The Company have produced letters and telegrams from Messrs. Nixon Forrest & Co. Ltd., London, who are their London Agents. In a telegram dated the 30th June 1949 they have stated that the buyers are diffident as to committing themselves regarding prices without definite proposals before them, that the market is showing a falling tendency, and that they suggest as the commencing basis 29d, 27d and 24d (that is, for the first, second and third grades) respectively. They have sent a copy of a letter received by them from Messrs. F. Dupre Ltd., London, dated the 15th June 1949 in which letter it is stated that the latter were prepared to buy manganese at the rates of 27d., 26d. and 25d. respectively, for the first, second and third grade ores. (The figure of 25d., according to the Company, must be a mistake.) In any case, the rates quoted or suggested definitely show an advance of rates over those that have been paid during the two previous years. The Company have relied on an article which appeared in the *Indian Finance* on the 20th March 1948. The export duty on manganese ore recently levied had, according to the writer, given a "stunning blow" to the industry and had made it difficult for Indian manganese to compete with West African or South African manganese. In the *Times of India* dated the 15th January 1949 appeared the



news sent from Washington that following persistent reports that Russia was going to cut off supplies of manganese to the United States the Commerce Department had announced plans to stimulate production in South Africa, that Russian exporters were reducing their export of chrome and manganese to the United States to "practically nothing", their previous export having averaged 23 per cent. of America's manganese requirements. In the *Times of India* dated the 28th June 1949 a communication from the Press Trust of India stated that figures of export of manganese and kyanite ores from India in the first five months of 1949 showed a substantial increase over those of the corresponding period in 1948. India having exported (according to provisional figures received) 50,000 tons manganese ore to the United Kingdom which was estimated to be over 3 times the quantity for the corresponding period of the previous year, that Belgium, Germany and Japan which had received either negligible quantity or no ore at all between January and May 1948 had received about 20,000 tons and that the United States had received the largest supply approximating to 143,000 tons against 134,000 in the previous year. In the *New Statesman and Nation*, dated the 16th July 1949, a writer from Germany commented on the present resilience shown by Germany in that the Ruhr area was producing steel at the rate of 9.2 million tons a year, achieving 770,788 tons in May against a target of 707,089 tons. Germany, it will be remembered, was one of the pre-war customers of Indian manganese. On the 22nd July 1949 the Press Information Bureau of the Government of India released the news that special assistance for the movement of 50,000 tons of manganese ore for export to Canada, a dollar area, was approved by the Standing Committee of the Central Board of Transport. *Commerce*, dated the 28rd July 1949, published details of an Indo-German Trade Agreement showing that India and the Western Zone of Germany were prepared to grant the necessary import and export licenses in respect of a number of goods, including export from India of manganese ores worth \$ 4,50,000 and export from Western Germany to India of iron and steel products worth \$ 25,00,000. In a recent issue of the *Economist* dated the 13th August 1949 it was stated in an article entitled "India's Economy" (p. 335): "There is an unsatisfied foreign demand for some of India's other products (i.e., other than raw jute and cotton), such as cotton goods, manganese and mica" I have obtained from the Ministry of Commerce of the Government of India the figures of export of manganese during the last three years. These figures also suggest that the export of manganese from India is steadily increasing. In 1947-48 the total tonnage of manganese exported was 5,22,146 the corresponding figure in 1946-47 being 4,61,500. The figure for the first half of 1949 is 2,72,025 tons. Countries other than the United States of America and the United Kingdom have been importing more and more manganese since 1946-47, the figures of import to those countries in 1946-47 and 1947-48 being 73,376 tons and 88,520 tons respectively; and for the first half of 1949 the corresponding figure is 58,915 tons. All these sufficiently indicate, in my opinion, that the demand for Indian manganese is growing and will continue to grow with the growth of steel and iron products in countries like Germany, Belgium and France, and, possibly in the near future, in Japan also. There is thus a good prospect of India's recovering the markets she lost during the last war and it does not appear that the competition of South Africa and West Africa as regards this industry is likely to be serious. For the moment Russia has practically cut off its export to the United States of America and other countries and as a result it can be expected that the prices will remain high and are not likely to go lower than the present levels. It also seems to me that the profits of the Company can be substantially augmented if the dividends, which appear to have been excessive in the past, are brought down in the coming years; and the working expenses, which appear to have been mounting up year after year, also appear to have room for appreciable curtailment. If it becomes necessary in the interests of

the industry, Government should be approached to reconsider their decision regarding the present export duty. To sum up, it seems to me that if the wages are improved more workmen could be induced to join the mines, there would be less absenteeism and better output per head, and that, as a consequence, the mines would be able to work to full capacity, with the result that the overhead charges would decrease and the profits will correspondingly improve. In view of these considerations and my findings as to net profits of the Company, it seems to me that the scales of wages and dearness allowance which I am going to lay down below will not be beyond the means of the Company.

12. I have already said that the scales of wages for men and women workers should be different, viz., the minimum monthly wage for a male worker should be Rs. 19-8-0 and for a female worker Rs. 18-4-0. As regards monthly paid workers, I fix the following scales of minimum monthly wages:—

|                                                            |                                          |
|------------------------------------------------------------|------------------------------------------|
| 1. Chaprasias, Blasting mates, Checkers, and other menials | Rs. 25                                   |
| 2. Supervisors                                             | Rs. 30 : add Rs. 3 for underground work. |
| 3. Jemadars                                                | Rs. 35                                   |
| 4. Clerks                                                  | Rs. 45                                   |
| 5. Cook                                                    | Rs. 50                                   |
| 6. Overseers and Foremen                                   | Rs. 65 : add Rs. 5 for underground work. |
| 7. Hospital Compounders                                    | Rs. 65.                                  |
| 8. Comptists                                               | Rs. 75.                                  |
| 9. Storekeepers                                            | Rs. 125.                                 |

10. Workshop—

|                    |          |
|--------------------|----------|
| (a) Semi-skilled   | Rs. 35.  |
| (b) Skilled        | Rs. 60.  |
| (c) Highly skilled | Rs. 125. |

I have omitted the Assistant Chemist, the Malarial Surveyor and the Nurse and Midwife, as they cannot be regarded as "workmen". I further direct that such of the monthly paid workmen as are at present getting wages up to Rs. 35 per month should get Rs. 2-8-0 per month more; those getting present wages from Rs. 36 to Rs. 50 per month should get Rs. 3 per month more; those getting from Rs. 51 to Rs. 100 per month should get Rs. 4-0-0 per month more and those getting over Rs. 100 per month should get Rs. 6 per month more. Where such addition does not bring the wages up to the level of the minimum laid down above they should be brought up to the said level.

13. As regards daily rated workers, I fix the following minimum daily rates:—

|                                          |                                                                                                                                                  |
|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Unskilled—                           |                                                                                                                                                  |
| Men                                      | 12 annas : add 2 annas for underground work.                                                                                                     |
| Women                                    | 10 annas.                                                                                                                                        |
| Muccadams                                | add 1 anna plus <i>dasturi</i> at 3 pies per rupee of total earnings of the gang, provided the total fortnightly attendance is not less than 70. |
| (2) Semi-skilled—                        |                                                                                                                                                  |
| (a) Opencast Blasting Mates              | } Re 1 : add 4 annas for underground work.                                                                                                       |
| Opencast Raswallas                       |                                                                                                                                                  |
| Opencast Mine tram mates                 |                                                                                                                                                  |
| Workshop Pump Attendants                 |                                                                                                                                                  |
| (b) Workshop, all except pump attendants | } Rs. 1-4-0.                                                                                                                                     |
| (c) Underground Machine Men              |                                                                                                                                                  |
| Underground Helpers                      | } Rs. 2 0-0.                                                                                                                                     |

I further direct that in the case of all daily rated workmen  $6\frac{1}{2}$  per cent. of the daily rates paid in June 1949 (to be approximated to the nearest pies) or

1 anna 6 pice whichever is higher, shall be added to the said daily rate in the case of each. Where such addition does not bring the daily wages up to the level of the minimum laid down above they should be brought up to the said level.

#### Demand No. 2

14. The next demand is that the payment of dearness allowance should be on the same scale as for industrial workers in Gujarat. As regards the monthly rated workers, the minimum wage having been fixed at Rs. 19-8-0 for men and Rs. 16-4-0 for women it is necessary that the dearness allowance should be at least equivalent to these amounts for a rise of 100 points in the cost of living above 150. At present monthly rated workers are paid dearness allowance at the rate of 10 per cent. of their basic pay with a minimum of Rs. 15. The Company also give certain concessions and benefits to their workers and these have been set out in Exhibits M and N attached to their written statement. They consist of certain quantities of foodgrains, wood, tea, oil, etc., which are sold at concessional rates at a total cost to the Company of Rs. 8-12-8 per head, the supply of firewood costing Rs. 4-14-0 for each family and Rs. 3-4-0 for each single worker, and house accommodation, the value of which has been taken as Rs. 7-8-0 per month. These concessions are applicable not only to the actual workers, but also to such resident non worker dependents as live with them. These are valuable concessions and the Company have, it seems to me made out a strong case against their abolition on the ground that if they are substituted by a cash payment that would not only be resented by workers themselves, but would upset their prevailing domestic economy and deprive their dependents of any relief. The concessions ought, therefore, to be allowed to remain and I direct accordingly. As to firewood, it is easily available in the locality and it would not be proper, therefore, to regard its alleged value as a part of the dearness allowance. Similarly, as the mines are situated practically in a jungle tract, away from human habitation, it is necessary that the Company should provide house accommodation for those who are brought from a distance and who do not live in any of the adjoining villages. No computation as regards its money value, therefore, should enter into the consideration as to the amount of dearness allowance to which workers are entitled. The rule that nobody should get less than Rs. 15 is, again, salutary and should remain. Under the present award only the store-keeper and one or two highly skilled workers would be entitled to get more than Rs. 150 as their basic monthly salary and would, therefore, get more than Rs. 15 as dearness allowance under the present scheme. I would, however subject to the retention of Rs. 15 as the minimum, prefer a sliding scale of dearness allowance according to variations in the cost of living, and it would be proper to link Shivrappur, as I have already said, with the Ahmedabad cost of living indices, as no indices relating to any nearer place are available. The cost of living indices (base 100 for 1926-27) for Ahmedabad must, therefore, be used if dearness allowance is to be adjusted to alterations in the cost of living. The basic wages awarded should be regarded as sufficient up to a figure 150 and thereafter the dearness allowance should amount to Rs. 19-8-0 for men and Rs. 16-4-0 for women for every 100 points. But if under the present rules a worker actually takes advantage of the scheme of cheap foodgrains and other consumable articles and the value of such advantage is Rs. 8-12-8 per month as stated, such concessions *plus* the dearness allowance of Rs. 15 would amount to Rs. 23-12-8 per month, and this being higher than the minimum monthly wage, a worker may not gain by coming under any system of cash payment. But there may be workers who would prefer cash payments because they do not want to purchase all the articles named by the Company in the quantities stated by them. I would, therefore give every employee who is paid on a

monthly basis the option either to remain being governed by the present scheme of concessions and dearness allowance or to get a cash dearness allowance of Rs. 4-14-0 for each male worker or Rs. 4-1-0 for each female worker per month for every rise of 25 points above 150 in the Ahmedabad cost of living indices. In such a case the workers should be allowed to retain the concessions in respect of the resident non-working dependents living with them; and the workers who elect to receive such cash payments should be entitled to buy at the Company's shop foodgrains, etc., at the full purchase (non-concessional) prices. Such workers should indicate to the Company their option at least seven days before the beginning of every month but not oftener than once in three months.

15. As to the daily rated workers the concessions that they now enjoy are to be found in Exhibits P and R attached to the Company's written statement. There the value of the concessions has been shown as Rs. 8-12-4 per month *plus* housing accommodation of the value of Rs. 3-0-0 per month. As to the foodgrains, etc., they do not appear to have been shown in the same quantities as in the statement filed with respect to the monthly rated workers for instance, whereas in the latter statement the quantities of bawta, gram, math and sugar have been given, respectively, as 8 seers and 8 ozs., 4 seers and 8 seers, in the statement regarding daily rated workers they have been shown respectively as 16 seers, 11 seers, and 1 seer. It is not clear whether all the daily rated workers buy these articles in such quantities. If the concessions did not exist, then I should direct that a male worker should earn Rs. 19-8-0 and a female worker Rs. 16-4-0 as dearness allowance for every rise of 100 points over the figure 150 in the Ahmedabad cost of living indices. Taking the Company's estimate regarding the concessions (except as to house accommodation), if the amount of Rs. 8-12-4 per month is deducted from Rs. 19-8-0, a male worker should be entitled to get Rs. 10-11-8 per month and a female worker Rs. 7-7-8 per month as cash dearness allowance but they are actually getting Rs. 9-4-0 per day, i.e., Rs. 6-8-0 per month. The present dearness allowance, therefore, appears to be inadequate. I, therefore, make the following directions. The concessions now being given may be reduced at the Company's option to quantities which would reduce their loss per head to Rs. 6-8-0 per month, but shall continue to be given to the non-working resident dependents of workers. The workmen at present receiving concessions (which may be reduced as above) shall have the option of taking them *plus* (in the case of a male) a cash dearness allowance at the rate of 2 annas for every rise of 25 points over the index figure of 150 and (in the case of a female)  $1\frac{1}{2}$  annas for every such rise. Such workmen shall be allowed to elect, not oftener than once in three months, whether they would take the said concessions *plus* the reduced cash dearness allowance or to get only the dearness allowance in cash. The exercise of such option shall be indicated to the Company not less than seven days before the beginning of a calendar month. Those who do not take the concessions shall get three annas in the case of males and  $2\frac{1}{2}$  annas in the case of females for every rise of 25 points over the index figure 150. Such workmen, however, shall be entitled to buy foodgrains, etc., at the Company's shop at the full purchase (i.e., non-concessional) prices.

#### Demand No. 3

16. This demand is as regards grain concessions, etc. The workers have alleged that the concessions as to foodgrains, etc., are given only to imported labour and that similarly housing accommodation is provided only to workers coming from outside, local workers having to find their own accommodation. They want that the concessions should be granted without distinction to all employees. At present the Company provide the concessions to the resident workmen and their resident dependents and the non-resident workmen, most

of whom do not appear to be willing to take advantage of the accommodation provided by the Company. As I have directed to the payment of full cash dearness allowance as an alternative to the present scheme of grain concessions, etc., I do not think it necessary to direct that the concessions should be provided in the case of more persons than have been getting them at present. The Company are under no obligation to provide housing accommodation for every worker and they allege that a large number of rooms built for the workmen are at present remaining unoccupied. There is no need, therefore, to make any specific direction on this demand.

#### Demand No. 5.

17. This is a demand for bonus for 1946 and 1947 at the rate of two months' basic wages for each year. The Company have been paying bonus only to monthly rated workers and they say that owing to the large percentage of absenteeism the daily worker has to be regarded as casual labour and that now-here is bonus paid to casual labour. Every workman who is absent for not more than two days in a fortnight, however, gets a good attendance bonus if the gang's earnings equal or exceed the *amani* rate (i.e., 0-8-0 for a Muccadam, 0-7-0 for a male worker and 0-5-0 for a female worker) amounting to half a day's wages, so that if this condition is fulfilled throughout the year, the worker gets 18 days' additional wages a year. Besides, at Divali each worker is given one day's wages and those who stay at the mines longer than 12 months get a *bakshis* of Rs. 6 i.e., about 8 (or 9½ in the case of women) days' minimum wage. Thus every worker can qualify for 22 (or 28½ in the case of women) days' additional wages in a year. In view of the increase now directed to be paid in respect of basic wages and dearness allowance and the finances of the Company, it seems to me that it would not be proper to direct the payment of any bonus in respect of the years 1946 and 1947. The demand is, accordingly, rejected.

#### Demand No. 6.

18. This demand is as regards payment for overtime work. The present practice is that when a worker works overtime he is credited with the number of hours for which he has so worked and as soon as the number of such hours amounts to a working day he is paid one day's wages along with dearness allowance. The Company not being governed by the Indian Factories Act is governed by the Indian Mines Act which makes no provision for overtime payment. I direct that the present practice should be replaced by a system of payment for overtime work calculated at twice the ordinary wages and dearness allowance, such payment being made even though the period of overtime work does not amount to one full day (in which case a proportionate amount corresponding to the number of overtime hours should be paid, calculated to the nearest 3 ples).

#### Demand No. 7.

19 This demand is as regards privilege and sick leave. At present all monthly paid staff are allowed 30 days' privilege leave and 20 days' sick leave, both on full pay with allowances, for each period of 12 months' service, and workers and their dependents when they are ill are treated and supplied with free food for as long as they stay in the Company's hospital. The demand is that all the workers should be given one month's leave in a year. I direct that when a worker has worked for 265 days in a year he should be entitled to three weeks' leave with full pay and allowances, and that during a year he should be also entitled to sick leave, on production of a medical certificate from the Company's doctor (which should be dispensed with if the leave is for only one day), up to 10 days, with full pay and allowances.

*Demand No. 8.*

20. This demand is about inclusion of a representative of workers among the trustees of the provident fund. The provident fund which exists at present is open to members of the "permanent staff" i.e., those who are monthly rated, the rate of contribution on either side being 8½ per cent. It is not possible for this Tribunal to give any direction regarding alteration of the rules of the fund, and I should leave it to the Company to consider the desirability of getting the rules altered in the manner demanded. *Prima facie*, as the place from which the fund is administered is apparently Bombay, there would be some difficulty for a representative of the contributing members to go to Bombay every time a meeting of the trustees takes place.

*Demand No. 9.*

21. This demand is as regards gratuity. It is contended that gratuity should be paid to all permanent employees including foremen, employees of workshop and others except unskilled menial workers who are paid at piece work rates. At present the Company pay gratuity to all monthly paid employees on the scale of 3/4ths of a month's salary calculated at the date of retirement or termination subject to a maximum of 15 months' salary. The Company regards all workers except the monthly rated employees as casual labour. It seems, however, that every one of the daily rated workers may not be a casual labourer, and I direct that a record should be kept regarding the number of days each worker works. If a daily rated worker has worked for more than 250 days in a year for three years in succession, he should be regarded as a permanent worker from the beginning of the said period and he should then be admitted to the benefits as regards gratuity which are granted by the Company to its monthly paid employees.

*Demand No. 10.*

22 This demand is as regards provision for latrines, urinals, etc. There are at present two underground latrines and two latrines are to be put up for male and two for female opencast workers. These should be provided without delay and they ought to be sufficient. As to water, a drum containing 40 gallons of water is kept at the bottom of the shaft, but it seems to me that it would be better to provide another drum of the same dimensions for providing more water for underground workers, and I direct accordingly. For other workers also sufficient water should be provided. The present crèche seems to be working satisfactorily and no direction regarding it is necessary. Every underground worker is given a cup of tea every day and that appears to be sufficient. It is contended that warm clothing should be given to persons working underground as a safeguard against chills. Some years ago the Company supplied such warm clothing but this had to be discontinued during the war owing to difficulty in obtaining supplies. That difficulty may not exist at present and if so, the old practice should be revived.

*Demand No. 11.*

23 This demand is as regards satisfactory arrangement for light for underground workers. Owing to the shortage of kerosene the Company have provided crude oil lamps and candles. The lighting arrangements do not seem to be inadequate but I direct that as soon as kerosene is available in sufficient quantities the present lamps should be substituted by kerosene lamps.

*Demand No. 12.—*

24. The employees contend that the demands having been made as far back as August 1948 the award should be given retrospective effect from the 1st September 1948. There is, however, nothing regarding retrospective

effect in the Schedule annexed to the reference, and the Company have stated that the first time when they received the workers' written demands was in February 1949 along with a strike notice. The reference in this case was made on the 20th May 1949. I direct that this award should have effect from the 1st April 1949 and that the arrears due up to the date on which the award comes into operation should be paid within two months from such date.

K. C. SEN,  
*Industrial Tribunal*

*Bombay, 2nd September 1949.*

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N. C. KUPPUSWAMI, Under Secy.

